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RULE 1304 Exemptions Emissions Calculations

(a) Modeling and Offset Exemptions

Upon approval by the Executive Officer or designee, an exemption from the modeling requirement of Rule 1303 (b)(1) and the offset requirement of Rule 1303 (b)(2) shall be allowed, for the following sources. [Exemptions moved to various locations. Please see specific exemption for details.]

(A) General

(1) Replacements

The source is replacing a functionally identical source or is a functionally identical modification to a source and there is no increase in maximum rating, and the potential to emit of any air contaminant will not be greater from the new source than from the replaced source, when the replaced source was operated at the same conditions and as if current BACT were applied. [Moved to Proposed Rule 1301(QQ)(5) "Modification". See also Proposed Rule 1301(D)(1).]

(1) Purpose

- (a) This rule provides the procedures and formulas to calculate emissions increases and decreases for new or Modified Facilities. The results of such calculations shall be used to: [Moved and modified from Rule 1306(a)]
 - (i) Determine the applicability of the provisions of District Rule 1303. [Moved and modified from Rule 1306(a)]
 - (ii) Calculate SERs generated within the same Facility to reduce Proposed Emissions for purposes of applicability of District Rule 1303(B). [See CARB Comment #10 of 3/1/00.]
 - (iii) Determine the Potential to Emit for new or Modified Facilities and Emissions Unit(s). [Moved and modified from Rule 1306(a)]

(iv) Calculate emissions decreases used to determine ERCs pursuant to the provisions of District Rule 1309. [Moved and modified from Rule 1306(a)]

(2) Electric Utility Steam Boiler Replacement

The source is replacement of electric utility steam boiler(s) with combined cycle gas turbine(s), intercooled, chemically-recuperated gas turbines, other advanced gas turbine(s); solar, geothermal, or wind energy or other equipment, to the extent that such equipment will allow compliance with Rule 1135 or Regulation XX rules. The new equipment must have a maximum electrical power rating (in megawatts) that does not allow basinwide electricity generating capacity on a perutility basis to increase. If there is an increase in basin-wide capacity, only the increased capacity must be offset. [See Proposed Rule 1301(QQ)(1)(e).]

(3) Abrasive Blasting Equipment
The source is portable abrasive blasting equipment complying with all state laws.
[Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Proposed Rule 1300(B).]

(4) Emergency Equipment

The source is exclusively used as emergency standby equipment for nonutility electrical power generation or any other emergency equipment as approved by the Executive Officer or designee, provided the source does not operate more than 200 hours per year as evidenced by an engine-hour meter or equivalent method. [Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Rule 219 and Proposed Rule 1300(B).]

(5) Air Pollution Control Strategies

The source is subjected to a modification or process change solely to reduce the issuance of air contaminants. This exemption shall not apply to landfill gas control operations or to any modification or process change made for the purpose of achieving regulatory compliance. [Provision removed. Changes which reduce emissions automatically "drop" to the Regulation II permitting process under Proposed Rule 1302(C)(2)(a)(i). See also Proposed Rule 1301(QQ) "Modification"]

(6) Emergencies

The source is exclusively used in emergency operations, such as emergency soil decontamination or excavation, performed by, under the jurisdiction of, or pursuant to the requirements of, an authorized health officer, agricultural commissioner, fire protection officer, or other authorized agency officer. A person shall report any emergency within one hour of such emergency to the District or within one hour of the time said person knew or reasonably should have known of its occurrence. A specific time limit for each operation will be imposed. [Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Rule 219 and Proposed Rule 1300(B).]

(7) Portable Equipment

The source is periodically relocated, and is not located more than twelve consecutive months at any one facility in the District. The residency time of twelve consecutive months shall commence when the equipment is brought into the facility and placed into operation. This paragraph does not apply to portable internal combustion engines. [Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Rules 219, 2100 and Proposed Rule 1300(B).]

(8) Portable Internal Combustion Engines

The source is periodically relocated, and is not located more than twelve consecutive months at any one facility in the District, provided that the provisions of subparagraphs (A) through (C) are met. For the purpose of this paragraph, the residency time of twelve months shall commence either when an engine is brought into the facility and placed into operation or removed from storage and placed into operation. The equipment owner or operator shall designate dedicated storage areas within the facility and demonstrate compliance with the residency time requirement by keeping records that show the equipment location and operation history. Such records shall be kept on site for at least two years and made available to the Executive Officer upon request. [Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Rules 219, 2100 and Proposed Rule 1300(B).]

- (A) Emissions from the engine, by itself, do not cause an exceedance of any ambient air quality standard; [Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Rules 219, 2100 and Proposed Rule 1300(B).]
- (B) Emissions from the engine do not exceed the following limits:

 Volatile Organic Compounds (VOC) 55 pounds per day

Nitrogen Oxides (NO_x)

Sulfur Oxides (SO_x)

Particulate Matter (PM_{to})

Carbon Monoxide (CO)

55 pounds per day

150 pounds per day

550 pounds per day

(C) For an engine located in the SEDAB the following limits shall apply: Volatile Organic Compounds (VOC) 75 pounds per day

Nitrogen Oxides (NO_x) 100 pounds per day Sulfur Oxides (SO_x) 150 pounds per day Particulate Matter (PM₁₀) 150 pounds per day Carbon Monoxide (CO) 550 pounds per day

[Provision removed. Equipment is exempt from permit, and therefore from this Regulation pursuant to Rules 219, 2100 and Proposed Rule 1300(B).]

(b) Intra-Facility Portable Equipment

(B) Calculating Emissions Changes in a Facility

- (1) Upon approval by the Executive Officer or designee, using the criteria set forth below, internal combustion engines and gas turbines which must be periodically moved within a facility because of the nature of their operation shall be exempt from the allowable change in air quality concentration requirements as stated in Rule 1303 paragraph (b)(1), provided that all of the following conditions are met: [Moved to Proposed Rule 1301(QQ)(7).]
 - (A) The engine or turbine is used: [Moved to Proposed Rule 1301(QQ)(7)(a)
 - (i) to remediate soil or groundwater contamination as required by federal, state, or local law or by a judicial or administrative order; or [Moved to Proposed Rule 1301(QQ)(7)(a)(i)]
 - (ii) for flight-line operations. [Moved to Proposed Rule 1301(QQ)(7)(a)(ii)]
 - (B) The engine or turbine is not periodically moved solely for the purpose of qualifying for this exemption. [Moved to Proposed Rule 1301(QQ)(7)(b)]
 - (C) Emissions from the engine, by itself, do not cause an exceedance of any ambient air quality standard. [Moved to Proposed Rule 1301(QQ)(7)(c)]
 - (D) Emissions from the engine do not exceed the following limits: [Moved to Proposed Rule 1301(QQ)(7)(d)]

Volatile Organic Compounds(VOC)	55 pounds per day
Nitrogen Oxides (NO _x)	55 pounds per day
Sulfur Oxides (SO _x)	150 pounds per day
Particulate Matter (PM ₁₀)	150 pounds per day
Carbon Monoxide (CO)	550 pounds per day

[Provision removed. AVAPCD is located wholly within the MDAB, formerly SEDAB.]

(E) For an engine located in the SEDAB the following limits shall apply:

Volatile Organic Compounds (VOC)

Nitrogen Oxides (NO_x)

Sulfur Oxides (SO_x)

Particulate Matter (PM₁₀)

Carbon Monoxide (CO)

To pounds per day

150 pounds per day

550 pounds per day

[Moved to Proposed Rule 1301(QQ)(7)(d) Table]

(1) General Emissions Calculations

(a) The emissions change for a new or Modified Facility or Emissions Unit(s) shall be calculated, in pounds per day, by subtracting Historic Actual Emissions from Proposed Emissions. [Moved and modified from Rule 1306(b) and 1306(d).

Emissions Change = (Proposed Emissions) - (Historic Actual Emissions)

(c) Offset Exemptions

Upon approval by the Executive Officer or designee, an exemption from the offset requirement of Rule 1303(b)(2) shall be allowed, for the following sources. [Provision removed as unnecessary due to increase in offset threshold and changes to definition of "modification" in Proposed Rule 1301(QQ).]

(C) Calculating Simultaneous Emissions Reductions.

(1) Relocations

The source is a relocation of an existing source within the District, under the same operator and ownership, and provided that the potential to emit of any air contaminant will not be greater at the new location than at the previous location when the source is operated at the same conditions and as if current BACT were applied. The relocation shall also meet either the location requirements specified in Rule 1303(b)(3), or the applicant must demonstrate to the Executive Officer or designee a net air quality benefit in the area to which the facility will locate. In addition, the potential to emit of the combined facility for any air contaminant after the relocation shall be less than the amounts in Table A of Rule 1304 (d) whenever either the relocating facility or existing facility received the facility offset exemption pursuant to Rule 1304(d). [Moved to Proposed Rule 1301(QQ)(6). See also Proposed Rule 1301(D)(1).]

- (1) SERs as defined in District Rule 1301(UUU) may result from the Modification or shut down of Existing Emission Unit(s) so long as the resulting reductions are Federally Enforceable, real, enforceable, permanent, quantifiable, surplus, and are reductions in Actual Emissions of the Emissions Unit(s). [Health & Safety Code §39607.5. See CARB Comment #7 of 3/1/00.]
- (2) Concurrent Facility Modification [See Proposed Rule 1304(D)(1), calculation of "Proposed Emissions" includes SERs.]

The source is part of a concurrent facility modification with emission reductions occurring after the submittal of an application for a permit to construct a new or modified source, but before the start of operation of the source, provided that it results in a net emission decrease, as determined by Rule 1306, and that the same emission reductions are not: [See Proposed Rule 1304(E)(1), calculation of "Proposed Emissions" includes SERs.]

- (A) required by a Control Measure of the AQMP which has been assigned a target implementation date; or [Moved to Proposed Rule 1304(C)(3)(d) and (D)(3)(d).]
- (B) required by a proposed District rule for which the first public workshop to consider such a rule has been conducted. This exclusion shall remain in effect for 12 months from the date of the workshop, or until the Executive Officer or designee determines that the proposed rule is abandoned; or [Moved to Proposed Rule 1304(C)(3)(c) and (D)(3)(c).]
- (C) required by an adopted federal, State, or District rule, regulation or statute; or [Moved to Proposed Rule 1304(C)(3)(c) and (D)(3)(b).]
- (D) from a category or class of equipment included in a demonstration program required by a District rule or regulation. [Removed as unnecessary. Former SCAQMD demonstration programs were never applicable in the jurisdiction which is now the AVAPCD]
- (2) SERs resulting from the Modification or shutdown of existing Emission Unit(s) within the same Facility shall be calculated as follows: [40 CFR 51.165(a)(3)(ii)(A). See Proposed Rules 1301(QQ), (SSS) and (WWW)]
 - (a) For the shutdown of Emissions Unit; [Moved and modified from Rule 1306(c)]

SER = Historic Actual Emissions

(b) For Modifications or limitations on operations of Emission Unit(s); [Moved and modified from Rule 1306(c). See CARB Comment #13 of 3/1/00.]

SER = (Historic Actual Emissions) - (Proposed Emissions)

- (c) For shutdown, Modifications or limitations on mobile, area or indirect sources of emissions; [Added to comply with interchangeable offset requirements of Health & Safety Code §40714.5]
 - (i) Any calculation formula and protocol as approved by the District, CARB and USEPA. [CARB and USEPA are currently evaluating calculation methods for particular mobile, area and indirect source types.]

(3) Resource Recovery and Energy Conservation Projects

The source is a cogeneration technology project, resource recovery project or qualifying facility, as defined in Health and Safety Code Sections 39019.5, 39019.6, 39047.5 and 39050.5, to the extent required by state law, including Health and Safety Code Sections 42314, 42314.1, 42314.5, 41605, and 41605.5. In no case shall these sections provide an exemption from federal law. [Moved to Proposed Rule 1305(A)(2)(d).]

- (3) SERs calculated pursuant to subsection (C)(2) above shall thereafter be adjusted to reflect emissions reductions which are otherwise required by Federal, State or District law, rule, order, permit or regulation as follows:
 - (a) SERs shall be adjusted to reflect only the excess reductions beyond those already achieved by, or achievable by, the Emissions Unit using RACT. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986]
 - (b) SERs shall be adjusted to reflect only the excess reductions beyond those required by applicable Federal, State or District law, rule, order, permit or regulation. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986. Moved and modified from Rule 1304(c)(2)(C).]
 - (c) SERs shall be adjusted to reflect only the excess reductions beyond those required by any applicable proposed District Rules and Regulations which have been taken to public workshop. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986. Moved and modified from Rule 1304(c)(2)(B).]
 - (d) SERs shall be adjusted to reflect the excess reductions beyond those required by any control measures identified in the District's Air Quality Attainment Plan or contained in the State Implementation Plan of the District and which have not yet been implemented in the form of District Rules and/or Regulations. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986. Moved and modified from Rule 1304(c)(2)(A).]

(4) Regulatory Compliance

The source is installed or modified solely to comply with District, state, or federal air pollution control laws, rules, regulations or orders, as approved by the Executive Officer or designee, and provided there is no increase in maximum rating. [Provision removed as unnecessary. If there is no emissions increase then

source will clearly be under the offset threshold and therefore exempt from the offset requirements.]

- (4) Positive SERs as calculated above may only be used to reduce Proposed Emissions, as calculated pursuant to section (E)(1), for purposes of determining applicability of District Rule 1303(B).
- (5) Regulatory Compliance for Essential Public Services

 The source is installed or modified at an Essential Public Service solely to comply with District, state, or federal pollution control laws, rules, regulations or orders.

with District, state, or federal pollution control laws, rules, regulations or orders, and verification of such is provided to the Executive Officer or designee; and sufficient offsets are not available in the Priority Reserve. [Provision removed due to removal of Priority Reserve.]

- (5) Prior to use, SERs must be approved by the APCO.
- (6) Replacement of Ozone Depleting Compounds (ODCs)

The source is installed or modified exclusively for the replacement of ODCs, provided the replacement is performed in accordance with the District's ODC Replacement Guidelines. The Executive Officer or designee shall publish and update, as required, such guidelines indicating the administrative procedures and requirements for the replacement of ODCs. The ODC Replacement Guidelines shall ensure to the extent possible that:

- (A) the replacements minimize emission increases of VOC, or optimize such emission increases if there is a potential conflict with the requirements of subparagraphs (B), (C) or (D);
- (B) the replacements are not toxic, as determined and published by the California Air Resources Board (ARB) or the federal EPA, unless no other alternatives are available;
- (C) the replacements do not increase the emissions of other criteria pollutants or global warming compounds; and
- (D) there are no adverse or irreversible water quality impacts through the use of such replacements.

[Provision removed as unnecessary. If there is no emissions increase then source will clearly be under the offset threshold and therefore exempt from the offset requirements.]

(7) Methyl Bromide Fumigation

Any equipment or tarpaulin enclosures installed or constructed exclusively for fumigation using methyl bromide. [Provision removed. Source type is exempt from permit pursuant to 219.]

- (d) Facility Exemption
- (D) Calculation of Emission Reduction Credits
 - (1) New Facility
 - (A) Any new facility that has a potential to emit less than the amounts in Table A shall be exempt from Rule 1303 (b)(2). [Moved to Proposed Rule 1303(B)(1).]
 - (B) Any new facility that has a potential to emit equal to or more than the amounts in Table A shall offset the total amount of emission increase pursuant to Rule 1303 (b)(2). [Moved to Proposed Rule 1303(B)(1).]
 - (1) ERCs shall be AERs as calculated below.
 - (2) Modified Facility
 - (2) Initial calculation of AERs shall be as follows:
 - (A) Any modified facility that has a post-modification potential to emit less than the amounts in Table A shall be exempt from Rule 1303 (b)(2). [Moved to Proposed Rule 1303(B)(1).]
 - (a) For the shutdown of an emissions unit;

AER = Historic Actual Emissions

(B) Any modified facility that has a post-modification potential to emit equal to or more than the amounts in Table A shall be required to obtain offsets for the corresponding emissions increase, or the amount in excess of Table A figures if the pre-modification potential to emit was less than the amounts in Table A in accordance with Rule 1303 (b)(2). [Moved to Proposed Rule 1303(B)(1).]

TABLE A

	Emissions in
Pollutant	Tons per Year
Volatile Organic Compounds (VOC)	4
Nitrogen Oxides (NO _x)	4
Sulfur Oxides (SO _x)	4
Particulate Matter (PM ₁₀)	4
Carbon Monoxide (CO)	29
[Moved to Proposed Rule 1303(B)(1)), Table.]

(b) For Modifications or limitations on operations of an emission unit;

AER = (Historic Actual Emissions) - (Proposed Emissions) [See CARB Comment #13 of 3/1/00.]

- (c) For Modifications or limitations on mobile, area or indirect sources of emissions; [Added to comply with interchangeable offset requirements of Health & Safety Code §40714.5]
 - (i) Any calculation formula and protocol as approved by the District, CARB and USEPA. [CARB and USEPA are currently evaluating calculation methods for particular mobile, area and indirect source types.]
- (3) Determination of emissions pursuant to Table A shall include emissions from permitted equipment excluding Rule 219 equipment not subject to NSR and shall also include emissions from all registered equipment except equipment registered pursuant to Rule 2100.
- (3) AERs shall thereafter be adjusted to reflect emissions reductions which are otherwise required by Federal, State or District law, rule, order, permit or regulation, as follows:
 - (a) AERs shall be adjusted to reflect only the excess reductions beyond those already achieved by, or achievable by, the emissions unit using RACT. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986]
 - (b) AERs shall be adjusted to reflect only the excess reductions beyond those required by applicable District Rules and Regulations. [40 CFR 51.165(a)(3)(ii)(A). USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986. Moved and modified from 1304(c)(2)(C).]

- (c) AERs shall be adjusted to reflect only the excess reductions beyond those required by any applicable proposed District Rules and Regulations which have been taken to public workshop. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986. Moved and modified from 1304(c)(2)(B).]
- (d) AERs shall be adjusted to reflect the excess reductions beyond those required by any control measures identified in the District's Air Quality Attainment Plan or contained in the State Implementation Plan for the District which have not yet been implemented in the form of District Rules and/or Regulations. [USEPA Emission Trading Policy Statement, 51 FR 43829 12/4/1986. Moved and modified from 1304(c)(2)(A).]
- (4) Emission Increases
 Emission increases shall be determined pursuant to Rule 1306(b) [Moved to Proposed Rule 1303(B)(5).]
- (4) Readjustment of AERs and ERCs
 - (a) AERs and ERCs shall be eligible for readjustment when:
 - (i) The original amount of AERs as calculated were adjusted based upon a proposed Rule or Regulation, which was not identified in the District's AQAP or SIP and the District has subsequently determined that the Rule or Regulation will not be adopted by the District; or
 - (ii) The original amount of AERs as calculated were adjusted based upon a control measure which was identified in the District's AQAP or SIP and the control measure has subsequently been removed from either or both documents and no District Rule or Regulation has been adopted for the control measure.
 - (b) If an AER is eligible for readjustment the APCO shall calculate the readjustment as if the AER was being initially issued and thereafter reissue the ERC pursuant to the provisions found in District Rule 1309(E).
- (5) Two-Year Limit on New Facility Exemption
 Any new facility with accumulated emission increases in excess of the amounts in
 Table A due to permit actions within any two-year period after the date of
 adoption of this rule shall offset the total emission increases during such period to
 zero. [Moved to Proposed Rule 1303(B)(4) and (D).]

- (5) Discount of ERCs Generated from Military Bases
 - (a) ERCs which are calculated from emission reductions created by a military base designated for closure or downward realignment shall be discounted five percent (5%) to improve air quality.
- (e) Emission Reduction Credits Related to Positive NSR Balances
- (E) Calculation of Terms Used in Rule 1304

Facilities that previously provided Emission Reduction Credits for the purpose of complying with the requirement to offset positive NSR balances pursuant to Rule 1303(b)(2) after October 1, 1990 shall receive Emission Reduction Credits equal to the amount previously provided to offset their pre-modification positive NSR balance. [Provision removed. All NSR balances have been banked or reduced to zero prior to creation of AVAPCD. See Current Rule 1301(c).]

- (1) Proposed Emissions
 - (a) For a new or Modified Facility or Emissions Unit(s), the Proposed Emissions shall be equal to the Potential to Emit for that Facility or Emissions Unit as defined by District Rule 1301(FFF) and as calculated pursuant to subsection (E)(3) below.
- (2) Historic Actual Emissions (HAE) [See also Proposed Rule 1301(JJ) "Historic Actual Emissions".]
 - (a) HAE equal the Actual Emissions of an Emissions Unit or combination of Emissions Units, including Fugitive Emissions directly related to those Emissions Unit(s), calculated in pounds per year, as follows: [See also Rule 1306(b)(1-3).]
 - (i) The verified Actual Emissions of an Emissions Unit, or combination of Emissions Units, averaged from the two year period which immediately proceeds the date of application and which is representative of Facility operations; or
 - (ii) The verified Actual Emissions of an Emissions Unit, or combination of Emissions Units, averaged for any two years of the five year period which immediately precedes the date of application which the APCO has determined is more representative of Facility operations than subsection (1) above.

- (iii) If an Emissions Unit has been in operation for less than one year, the HAE shall be equal to zero.
- (iv) For purposes of calculations pursuant to District Rule 1304(B), in the case of a modified Facility, HAE for an Emissions Unit may be equal to the Potential to Emit for that Emissions Unit, as indicated by Federally Enforceable Emissions Limitation, if all the emissions from that Emissions Unit have been previously offset in a documented prior permitting action pursuant to Regulation XIII or prior Rule 213. [Moved and modified from 1306(d)(2)(A)]
- (3) Potential To Emit [See also Proposed Rule 1301(FFF) "Potential to Emit".]
 - (a) The Potential to Emit for a Facility, for the purpose of this Rule, shall be calculated as follows:
 - (i) The sum of the Potentials to Emit for all existing Permit Units as defined pursuant to District Rule 1301(FFF); and
 - (ii) Any emissions increases from proposed new or Modified Permit Units as calculated pursuant to subsection (B) above; and
 - (iii) Any Emission Reduction Credits issued and banked pursuant to the provisions of District Rule 1309 shall be included in the calculations of a Facility's Potential to Emit.

[SIP: Submitted as amended on	_; Approved 2/4/96, 61 FR 64291, 40 CFR
52.220(c)(240)(i)(A)(1); Disapproved	,, 40 CFR 52.233(1)(1)(i) and
52.233(l)(1)(iii); Conditionally Approved 6/9/82,	47 FR 25013, 40 CFR 52.220(c)(87)(v)(A);
Conditionally Approved 1/21/81, 46 FR 5965, 40	CFR 52.220(c)(68)(i)]

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